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COMMON MARKET • EURATOM • COAL & STEEL COMMUNITY

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NEXT STEPS FOR THE COMMON MARKET

WASHINGTON, D. C., December 28--The European Common Market enters its fourth year January 1 with its first major step toward presenting an integrated economy to the rest of the world. On that date, the first moves in creating a common customs tariff will be taken--a full year ahead of the schedule called for in the Treaty of Rome which established the European Economic Community.

In accordance with the decision of the Council of Ministers, on May 12, 1960, to accelerate the Common Market, a series of tariff and quota adjustments will go into effect on New Year's Day. In general the new measures will operate like this:

TARIFF ADJUSTMENTS

Industrial products, internal market - Supplementary reduction of 10 per cent. Internal duties will, therefore, be decreased by a total of 30 per cent of the base duty (duty in effect on January 1, 1957).

Industrial products, external market - First step toward the common external tariff. This step will be taken one year earlier than the treaty stipulates and, with only a few exceptions, will be calculated on the basis of the common external tariff reduced by 20 per cent.

Agricultural products, internal market - Supplementary reduction of 5 per cent for non-liberated products. These duties will, therefore, be reduced by 25 per cent of the duty in effect January 1, 1957. This reduction will be applied, for example, to some meat, fish and fruits and vegetables, to potatoes and, notably, to processed products such as preserved food.

Agricultural products, external market - So far no move toward the common external tariff. However, it should not be forgotten that some products in the agricultural sector--wood, wool and cotton for example--follow the schedule for industrial products.

(MORE)

QUOTA ADJUSTMENTS

Industrial products - Third increase of quotas by at least 10 per cent in relation to the preceding year. Quotas set at 4 per cent of national production in 1960 will be set at 5 per cent in 1961, an increase of 25 per cent. In addition, all quantitative restrictions between member countries must be abolished by the end of 1961, whereas they were not originally scheduled to be eliminated until the end of 1969; this represents an acceleration of eight years.

Agricultural products - For all products which are not subjected to national organization of the market, quotas will be increased by 20 per cent over the preceding year. In addition, for products for which there were small or nil quotas before 1958, quotas must be set at at least 5.2 per cent of national production.

For other products--as long as trade therein is not regulated by long-term agreements--imports will be increased by 30 per cent in relation to the average of annual imports from 1955 to 1957.

CARTELS

From now on, regulations concerning agreements between enterprises and dominant positions in the market will be adopted by the Council by a qualified majority vote in lieu of unanimous vote. The Commission has already submitted to the Council a first draft regulation concerning agreements.